

GRUDEN

Disclosure Policy

The Gruden Group Limited

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ABN 56 125 943 240

Approved by the Board on 26 May 2016

1. Background

Gruden must comply with disclosure requirements arising from legislation and the Listing Rules of the ASX.

The general rule, in accordance with ASX Listing Rule 3.1, is that once Gruden becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of Gruden's securities, Gruden must immediately disclose that information to the ASX.

This document sets out Gruden's written policy on information disclosure and relevant procedures.

The focus of these procedures is on continuous disclosure compliance and improving access to information for investors.

The Company Secretary is the Disclosure Officer for the purpose of this policy and is responsible for:

- (a) overseeing and co-ordinating disclosure of information to the relevant stock exchanges and shareholders; and
- (b) providing guidance to Directors and employees on disclosure requirements and procedures.

Market sensitive information is publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants is also managed through disclosure to ASX.

Information is posted on Gruden's website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

2. Purpose

This policy sets out the procedures and guidelines of Gruden and its subsidiaries (the Company) relating to compliance with its continuous disclosure obligations and the communication of information to investors.

The focus of these procedures is on:

- complying with the continuous disclosure principles contained in the ASX Listing Rules and the Corporations Act 2001;
- ensuring that shareholders and the market are provided with timely and accurate information about the Company's activities; and
- ensuring that all market participants have an equal opportunity to receive externally available information issued by the Company.

3. Application of Policy

This policy applies to all Directors and employees of the Company, including:

- permanent full-time and part-time employees;
- employees on a fixed term or fixed task contract;
- casual employees;
- temporary employees; and
- all individual contractors and employees of incorporated contractors engaged by the Company.

4. Continuous Disclosure Obligation

Disclosure obligation (ASX Listing Rule 3.1)

The Company must comply with continuous disclosure requirements arising from legislation and the Listing Rules of ASX.

The general rule, in accordance with ASX Listing Rule 3.1, is that once the Company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities (**market sensitive information**), the Company must immediately disclose that information to the ASX.

The Company will be deemed to be **aware** of information if, and as soon as, an officer of the Company has, or ought reasonably to have, come into possession of the information in the course of his/her duties as an officer of the Company. The term "officer" includes Directors, the Company Secretary and senior managers or executives of the Company.

Immediately does not mean "instantaneously" but rather "promptly and without delay". Doing something "promptly and without delay" means doing it as quickly as it can be done in the circumstances (acting promptly) and not deferring, postponing or putting it off to a later time (acting without delay).

Market sensitive information

All management and staff must inform the CEO, or in his absence, the Chair, the Company Secretary or another Director of any potentially market sensitive information or proposal as soon as practicable after the person becomes aware of that information.

Information is market sensitive information if it is likely that the information would influence investors in deciding whether to buy or sell Gruden securities. Market sensitivity is not assessed from the perspective of high frequency traders who trade on the basis of short term share price movements, but from the perspective of persons who commonly buy and hold securities for a period of time, based on their view of the inherent value of the security.

When faced with a decision as to whether information needs to be disclosed under Listing Rule 3.1, it may be helpful to ask yourself two questions:

- a. Would this information influence my decision to buy or sell securities in the Company at their current market price?
- b. Would I feel exposed to an action for insider trading if I were to buy or sell securities in the Company at their current market price, knowing this information had not been disclosed to the market?

Examples of information that could be considered to be market sensitive and therefore would likely require disclosure, include:

- a transaction that will lead to a significant change in the nature or scale of the Company's activities;
- a material acquisition or disposal;
- the granting or withdrawal of a material licence;
- the entry into, variation or termination of a material agreement;
- becoming a plaintiff or defendant in a material law suit;
- the fact that the Company's earnings will be materially different from market expectations (see below – "General and Periodic Disclosure");
- the appointment of a liquidator, administrator or receiver;
- the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- under subscriptions or over subscriptions to an issue of securities (a proposed issue of securities is separately notifiable to ASX under Listing Rule 3.10.3);
- giving or receiving a notice of intention to make a takeover; and
- any rating applied by a rating agency to an entity or its securities and any change to such a rating.

This list is not exhaustive and there are many other examples of information that potentially could be market sensitive information.

5. Exception to the Disclosure Obligation

Market sensitive information need not be disclosed if all of the following are satisfied:

- a. one or more of the following applies:
 - i. it would breach the law to disclose the information;
 - ii. the information concerns an incomplete proposal or negotiation;
 - iii. the information comprises matters or supposition or is insufficiently definite to warrant disclosure;
 - iv. the information is generated for internal management purposes; or
 - v. the information is a trade secret; and
- b. the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- c. a reasonable person would not expect the information to be disclosed.

The word "confidential", for these purposes, means "secret". Therefore, information will be confidential where:

- it is known to only a limited number of people;
- the people who know the information understand that it is to be treated in confidence and only to be used for permitted purposes; and
- the people abide by that understanding.

6. Disclosure Responsibilities and Procedures

The Company Secretary is responsible for:

- a. overseeing and co-ordinating disclosure of information to the relevant stock exchanges and shareholders; and
- b. providing guidance to Directors and employees on disclosure requirements and procedures.

All employees and officers will be trained in the application of this policy at least annually. All employees and officers are expected to notify the Company Secretary and the CEO if they believe any matter requires disclosure under this policy.

The schedule to this policy sets out the procedures for identifying and approving announcements and the responsibility of the Disclosure Officer.

The Company's procedures enable market sensitive information to be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants is also managed through disclosure to ASX. A copy of any ASX announcement is to be promptly provided to all Directors and senior executives as soon as possible after being made.

Information is posted on the Company's website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

7. General and Periodic Disclosure

The Company must make general and periodic disclosures to ASX and/or its security holders as required by the ASX Listing rules or the Corporations Act including in relation to its financial and operational performance. Compliance by the Company with its general and periodic disclosure obligations does not extinguish its continuous disclosure obligations.

In circumstances where the Company becomes aware that its earnings for a reporting period will materially differ (downwards or upwards) from market expectations disclosure may be required. Assessing whether a difference or variation is of a magnitude that

constitutes market sensitive information may require consideration of a number of factors including:

- whether near term earnings is a material driver of the value of the Company's securities;
- whether the difference is attributable to a non-cash item (such as a depreciation, amortisation or impairment charge) that may not impact on underlying cash earnings;
- whether the difference is a permanent one or is simply due to a timing issue (eg a material revenue or expense item that was expected to be booked in one reporting period is to be booked in a different reporting period);
- whether the difference is attributable to one-off or recurring factors; and
- whether the relative outlook for the Company in coming financial periods is positive or negative.

Each instance of potential earnings variation needs to be considered in context, however, as a guide, where an expected variation in earnings is less than 5% from any previously disclosed earnings guidance it is unlikely to be material and will not normally require disclosure. Where the variation is more than 10% from any previously disclosed forecast it is likely to be material and will normally require disclosure. If the variation is between 5% and 10%, careful consideration will need to be given to whether the variation is likely to be market sensitive.

8. Market Speculation and Rumour

The Company's general policy is not to respond to reports or rumours about the Company published by analysts, fund managers or reporters, except where there is, or is likely to be, a false market. In such circumstances, there is a positive obligation to respond/correct analysts' forecasts/media reports. Therefore, it may be necessary to respond to the unauthorised, or selective disclosure of information or market rumours concerning the Company, where the information is having, or likely to have an impact on the price of the Company's securities. Should this matter arise the CEO or Company Secretary will

discuss the significance of the matter and possible disclosure responses with the Chair. The Company Secretary will co-ordinate the disclosure response to the ASX.

9. Trading Halts

In an effort to manage disclosure issues and in order to facilitate an orderly, fair and informed market, the Company may request a trading halt. A trading halt may be necessary in the following scenarios:

- there are indications that information may have leaked ahead of an announcement and it is having, or (where the market is not trading) is likely when the market resumes trading to have, a material effect on the market price or traded volumes of the Company's securities;
- the Company has been asked by ASX to provide information to correct or prevent a false market; or
- the information is especially damaging and likely to cause a significant fall in the market price of the Company's securities (eg, information that the board of the Company has resolved to appoint an administrator or that a lender has declared an event of default and appointed a receiver),

and in each such scenario:

- where the market is trading, the Company is not in a position to give an announcement to ASX straight away; or
- where the market is not trading, the Company will not be in a position to give an announcement to ASX before trading next resumes.

A trading halt or voluntary suspension may also be necessary if for any reason there is going to be a delay in the release of an announcement under Listing Rule 3.1 and the market is trading during any part of the delay.

10. More Information

If any person has any queries about their reporting requirements, the Company's continuous disclosure obligations or any other questions about this policy, they should contact the Company Secretary or the CEO.

11. Review of Policy

This policy will be reviewed annually.

Schedule

Continuous Disclosure Procedures

Disclosure officer

The Board has appointed the Company Secretary as the Disclosure Officer. In the Company Secretary's absence, the CEO will be the Disclosure Officer.

Responsibilities of the Disclosure Officer

The Disclosure Officer is responsible for administering this policy and, in particular:

- receiving and recording all potential market sensitive information concerning the Company;
- considering whether the information warrants referral to the Disclosure Sub-Committee (see below) and, if so, presenting the information to the Disclosure Sub-Committee for determination;
- keeping the Board fully informed of the disclosure decisions made by the Disclosure Sub-Committee;
- co-ordinating all communication with ASX;
- overseeing that all announcements and trading halts have been approved in accordance with this policy prior to lodgement with the ASX;
- overseeing the development and implementation of procedures for communications with investors, analysts, brokers, shareholder associations, the media and the public;
- in order to prevent a false market, overseeing the development and implementation of procedures for active media and market monitoring (including broker and analyst reports, news, and social media);

- monitoring the effectiveness of the Company's disclosure practices (including a regular review of the Company's reporting system), and making recommendations to the Board on updating this policy in response to changes in internal structure, legislative and regulatory developments and technology developments; and
- overseeing and co-ordinating the disclosure training and education of the Company's employees to ensure that they understand the Company's disclosure obligations and what information may be market sensitive.

Delegation by the Disclosure Officer

The Disclosure Officer may delegate aspects of administering this policy to other employees. The delegation may be general or specific to a particular matter.

Board Review

The Board will be responsible for:

- making auditable decisions as to whether potentially disclosable information presented to it by the Disclosure Officer should be disclosed to the ASX;
- making determinations with respect to requests for trading halts;
- liaising with the Disclosure Officer in relation to disclosure of information which the Board determines is disclosable;
- where the Board determines disclosure is required following referral to it by the Disclosure Officer, or a decision of the Board itself is information which is market sensitive in nature and the Company is required to disclose the decision of the Board in accordance with its continuous disclosure obligations, then the Board shall, in consultation with the Disclosure Officer, settle and approve an announcement promptly and without delay at the Board meeting at which the decision was made;

- making determinations on any other matter referred to the Board by the Disclosure Officer in accordance with the terms of this policy; and
- overseeing the Disclosure Officer's administration of this policy.

External advice in relation to disclosure issues may be sought by the Disclosure Officer or the Board where necessary or desirable.

The Disclosure Officer shall immediately notify the ASX of any approved announcement

Initial assessment of information by the Disclosure Officer

The Disclosure Officer has responsibility for initially reviewing whether any information of which the Company is or becomes aware warrants consideration by the Board, having regard to the test for market sensitive information set out above.

Timing

Announcements lodged with ASX must not be released publicly by the Company until the Company has received formal confirmation from ASX that the announcement has been released by ASX.

Dissemination of information

Once the Company has received formal confirmation from ASX that an announcement has been released by ASX, the Disclosure Officer must ensure that the information is promptly posted on the Company's website. The Company may simultaneously or subsequently release the information in any other manner it considers appropriate including issuing a media release, conducting a press conference or mailing details to the Company's security holders.

Board notification

If an ASX announcement is made, a copy of the announcement must be sent to each member of the Board as soon as possible after the announcement, and the disclosure noted at the next Board meeting.

Retention of disclosure records

The Disclosure Officer must establish and maintain continuous disclosure records.